

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2421
ANSWERED ON:30.08.2007
PRODUCTION OF CRUDE OIL AND GAS
Chinta Mohan Dr. ;Singh Shri Suraj

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether the Government at the time of awarding contracts keeps certain terms and conditions for its share in the production of crude oil and gas;
- (b) if so, the conditions fixed by the Government for the said shares in the six phases of contracts given for the production of crude oil and gas in the country;
- (c) whether the Government propose to change the above-mentioned terms of contracts to be given for the production of crude oil and gas in the seventh phase; and
- (d) if so, the details and the reasons for making these changes?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a)to (d):- The Government under the New Exploration Licensing Policy (NELP) has provided a level playing field wherein it invites bids from Private and Public sector companies and Indian as well as foreign companies under an Internationally Competitive Bidding (ICB) system. Blocks are awarded on competitive terms on the basis of the Bid Evaluation Criteria. (BEC).

BEC in the 6 rounds of bids invited till date was a composite criteria and one of the basis was fiscal package offered to the Government. The bidders were required to offer Profit Petroleum Share to the Government at six tranches of Pre-tax Investment Multiple. The awards were made based on the maximum of aggregate score of the bidders obtained in composite criteria. The Profit Petroleum sharing to the Government is decided through competitive bidding and Government do not prefix its share. The Ministry is in the process of finalization of Bid Evaluation Criteria for 7th round of NELP in consultation with stakeholders.